



## COVID-19 CHILD CARE PAYMENT POLICIES

*Issued April 3, 2020; Updated May 15, 2020*

### 1. OVERVIEW

These policies apply to licensed or regulated child care facilities for the months of April and May 2020 (subject to the availability of funding) related to 1) Subsidized Child Care program payments, 2) NC Pre-K Program payments 3) Emergency Child Care Subsidy program payments, 4) Bonus payments to child care teachers and staff providing services during the COVID-19 outbreak, and 5) **Operational Grants to open providers.**

The chart below outlines the payment schedule for Subsidized Child Care Payments, Emergency Child Care Subsidy Payments, and Bonus Payments to child care teachers and staff providing services during COVID-19. Additional details about each payment type are provided later in the document.

#### Overview of COVID-19 Child Care Payment Schedule

Service Month	PAYMENT DATE		
	Subsidized Child Care Program Payments	Emergency Child Care Subsidy Program Payments	Bonus Payments
March 2020	4/9/2020	N/A	N/A
April 2020	4/30/2020	5/15/2020	5/15/2020
May 2020	5/29/2020	6/12/2020	6/12/2020

**PLEASE NOTE: DCDEE will issue payments on the dates listed above. However, depending on your financial institution, it may take up to five business days to process the payment.**

### 2. SUBSIDIZED CHILD CARE PROGRAM PAYMENTS

#### Payments:

- March through May 2020: DCDEE will make Subsidized Child Care Program payments to ALL subsidized child care providers for March, April, and May service months, regardless of whether the facility is open or closed. The payment for March will be based on providers entering attendance for all subsidy children as present for all service days during the month of March. The payment amount for April and May will be consistent with the March payments for February services for all providers (as recorded in NC FAST). DCDEE is paying the parent fees for April and May service months and these totals will be added into the April and May payments.



- **June 2020: DCDEE will also make Subsidized Child Care Program payments only to providers that are open in June.**

**Copayments:** DCDEE will cover the cost of all parent copayments for the child care subsidy program for April and May 2020. **For June, DCDEE will cover the cost of parent copayments for the child care subsidy program for providers that are open.** Child care programs must not collect parent copayments for these months.

**Payment Schedule:** Subsidized child care program payments and parent copayments will be paid on a modified schedule to support child care programs during this crisis. See Overview of COVID-19 Child Care Payment Schedule chart above.

**Recording Attendance:** Child care subsidy providers who remain open and have children with a subsidized child care voucher attending their facility should record ACTUAL attendance for these children in April or May. Child care subsidy providers who remain open and have children with a subsidized child care voucher who are not attending their facility should record Not Scheduled for these children in April or May. Child care subsidy providers who are closed should not record any attendance in the NC FAST Provider Portal for April or May.

In the event that a provider's April or May subsidy payments would be higher than February, DCDEE will pay the additional payment owed in the next mid-month payment (e.g., May 15<sup>th</sup>, June 12<sup>th</sup>). For April and May's calculation, school age children will be calculated at the full-time rate rather than the blended rate. However, if the February service month payment is still higher, no additional payment will be issued.

**Recertifications:** Recertifications of eligibility for Subsidized Child Care due in March, April, May, or June will be extended for 12 months. For example: recertifications due in April 2020 will not have to be completed until April 2021.

### 3. NC PRE-K PAYMENTS

DCDEE will pay all NC Pre-K providers, regardless of site location or if the program is open or closed, fully through the remainder of the program year. Payments will be based on March enrollment (not February attendance as previously stated). DCDEE will pay all NC Pre-K contractors their full program coordination/administrative rates.

The chart below summarizes NC Pre-K payments and attendance requirements for March and April:

Service Period	Payments Based On:	Attendance Requirements:
March 2020	March enrollment	Report attendance for the days NC Pre-K program was open and serving children



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April 2020 through remainder of program year	March enrollment, regardless of attendance in April or remaining months	Report attendance information for these months <b>ONLY</b> for classrooms that are open and physically serving NC Pre-K children in the NC Pre-K classroom.
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**March Payments Only:** On March 25, DCDEE provided guidance to NC Pre-K Contracting Agencies regarding how to submit March attendance and FSRs. Please follow those instructions.

**Payments for April Through Remainder of Program Year:** Payments for April through the remainder of the program year will be made using March enrollment regardless of attendance for the month. It is the expectation of DCDEE that NC Pre-K enrollment will not increase from the date of closure through the remainder of the 2019-2020 school year for any site.

**Attendance:** Contractors should NOT enter monthly attendance data into the NC Pre-K KIDS database for these months unless the classroom(s) is/are open and physically serving children in the NC Pre-K at the facility. Actual attendance data is being requested in order to track the number of children served and average number of service days provided across the state. This data will NOT be used for reimbursement purposes.

Contractors will be paid using the Summary of Attendance sheets submitted with their March FSRs. Contractors will submit the relevant monthly FSR documents as normal and include the scanned copy of the March Summary of Attendance that was submitted with their March FSR.

**Teacher Licensure:** Rate increases based on teachers receiving their licenses will be honored. This includes any retroactive payments that may be requested for previous months of service.

**Teacher Compensation:** The revised [guidance](#) released by DCDEE on 3/26 states that “NC DHHS will pay ALL NC Pre-K providers, regardless of site location or if the program is open or closed, fully through the remainder of the program year.” NC Pre-K programs should continue to use these funds appropriately which includes ensuring that NC Pre-K teachers (Leads and TAs) receive their customary compensation for a full week of work. NC Pre-K sites will not be penalized for the remainder of the program year if they have children who are no longer attending or participating in NC Pre-K due to the COVID-19 crisis. NC Pre-K sites should also ensure that their teachers are not penalized as it relates to compensation.

**Remote Learning Expectations:** In April, DCDEE issued programmatic guidance to NC Pre-K contractors supporting NC Pre-K children and families remotely during the remainder of the program year.

#### **4. EMERGENCY CHILD CARE SUBSIDY PROGRAM PAYMENTS**

**Purpose:** The Emergency Child Care Subsidy program provides financial assistance for child care to parents/primary caregivers who are essential workers (as defined by [Executive Order 121](#)). The



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Emergency Child Care Subsidy program will operate beginning April 1, 2020, and will continue for the months of April and May 2020. **The Emergency Child Care Subsidy program will end on May 31<sup>st</sup>. Providers may not enroll children after May 8<sup>th</sup> at 5:00PM, but will receive emergency child care subsidy payments through the month of May for any children who were enrolled in the program as of May 8<sup>th</sup> at 5:00PM.**

- *All licensed or regulated facilities, regardless of star rating and regardless of current participation in the Subsidized Child Care Program, are eligible to accept families for the Emergency Child Care Subsidy Program for essential workers.*

**Family Eligibility:** Parents or caregivers can receive financial assistance for emergency child care if they:

- are essential workers,
- have no other safe child care options,
- and have a household income below 300 percent of the poverty line (please see chart below).

Persons in Household	2	3	4	5	6	7	8
Income Limit	\$51,720	\$65,160	\$78,600	\$92,040	\$105,480	\$118,920	\$132,360

*\*For household size greater than 8 people, add \$4,480 for each additional person starting with the 9<sup>th</sup> person.*

**Application Process:** Families must complete a [COVID-19 Parent Application for Financial Assistance for Emergency Child Care](#) (also available in [Spanish](#)) and submit the application to their child care provider.

- Child care providers are NOT expected to determine or verify whether a family is eligible for financial assistance. It is the responsibility of the parent/primary caregiver to self-attest to meeting the eligibility criteria.
- Child care providers should, however, review the Parent Application form to ensure it is complete and store the Parent Application (guidance about this process is [here](#)).

**Emergency Child Care Subsidy Rates:** Child care providers will receive the following rates for new children served through the Emergency Child Care Subsidy program in April and May:

Age Group	Child Care Centers	Family Child Care Homes
Infant	\$ 1,200	\$ 905
2 Years Old	\$ 1,125	\$ 830
3-5 Years Old	\$ 1,070	\$ 780
School Age (6+)	\$ 870	\$ 645

*\*Rates were established using the state average for 75th percentile of the 2018 market rates for each group and adding an additional \$200 per child per age group.*



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**Payments:** Payments for children who are served under the Emergency Child Care Subsidy Program in April and May will be made in addition to the Subsidized Child Care Program payments detailed in Section 2.

- Payments for Emergency Child Care Subsidy will be based on attendance of children in April or May. These emergency subsidy payments will be paid outside of the NC FAST system.
- Providers will be paid the full reimbursement rate for the month for each child enrolled in the Emergency Child Care Subsidy Program unless the child is absent from the facility more than ten service days in a month.
  - If a child's absences exceed ten days during a service month, the provider will be paid for the actual days that care was provided. Calculation of the payment will be determined using the daily rate. To calculate the daily rate, divide the reimbursement rate by 21.67 then multiply that by the number of days the child attended.
- You will be able to log into the Provider Portal for Emergency Child Care Subsidy to confirm the accuracy of payments and reconcile your bank statements.

**Copayments:** The Emergency Child Care Subsidy Program does not have parent copayments.

**Payment Schedule:** Payments for Emergency Child Care Subsidy Program for April and May services will be paid on May 15<sup>th</sup> and June 12<sup>th</sup>, respectively.

**Recording Attendance:**

- Providers should submit child attendance by the 5<sup>th</sup> day of the following month. Inaccurate, untimely, or incomplete reporting may result in delayed emergency child care subsidy payments.
- Providers will need to track attendance for children receiving Emergency Child Care Subsidy and submit through the [Provider Portal](#) for Emergency Child Care Subsidy.
  - Providers may begin entering child attendance starting Thursday, April 30<sup>th</sup>, 2020 and must finish entering all attendance by 9:00PM on Tuesday, May 5<sup>th</sup>, 2020.
  - DCDEE has published a [job aid](#) with detailed instructions on how to enter children for whom they have received completed Parent Applications for Financial Assistance for Emergency Child Care, as well as how to record and submit attendance for children.
  - Providers should only use this portal to record children who are enrolled in the Emergency Child Care Subsidy Program and for employees receiving bonuses. Providers should record attendance for children enrolled in regular subsidy as they normally do.
- DCDEE has provided a [weekly child attendance log](#) to assist providers in manually tracking attendance of children receiving Emergency Child Care Subsidy prior to the portal being available for tracking attendance.

**Uploading Parent Applications:**



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- Providers can also begin uploading completed COVID-19 Parent Applications for Emergency Child Care on Thursday, April 30, 2020. Please ensure that all Parent Applications are submitted either through the [Emergency Child Care Subsidy Provider Portal](#) or by mail to DCDEE by no later than May 25, 2020.
- Instructions for how to upload parent applications are included within the Provider Portal. Providers should begin uploading the parent applications as soon as possible.
- If providers are unable to upload the applications, they should mail the forms to DCDEE, Subsidy Services Section, 2201 Mail Service Center, Raleigh, North Carolina 27699-2200.
- All applications must be uploaded or mailed to DCDEE no later than May 25, 2020, in order to receive payment for May services.

## **5. BONUS PAYMENTS TO CHILD CARE STAFF PROVIDING SERVICES DURING COVID-19**

**Purpose:** All child care employees working on-site at a child care facility that is approved to provide emergency child care in April and May 2020 will receive a bonus for their service during the COVID-19 crisis. Bonus payments will only be provided in April and May, but will not continue for June.

**Eligibility:** Bonus payments are available for both child care centers and family child care homes and to both teaching and non-teaching staff, full and part-time, working on-site at the child care facility.

- Teaching staff includes lead, assistant, and other resource teachers working directly with children in the classroom.
- Non-teaching staff includes administrators, directors, cooks, and janitorial staff.
- An employee is considered part-time for the purpose of these bonuses if they are working on-site at a facility 20 hours a week or less.

**Process:**

- DCDEE will pay bonus payments directly to child care programs.
- All child care programs approved to operate under the [Emergency Child Care guidelines](#) have attested that they will provide teachers and staff with bonus pay, at no less than the amounts funded by DCDEE effective April 1, 2020.
- Providers must pay staff prorated amounts of the monthly bonus payment at regular employee pay periods. Providers have the flexibility to make payments to their employees after receiving the bonus payment amounts from DCDEE. For example, DCDEE will issue bonus payments on May 15<sup>th</sup> for employees who worked in April, and providers can issue bonus payments to their employees after May 15<sup>th</sup>.
- Child care programs that reopen in the middle of May will also be eligible for bonus payments for employees. These programs will receive prorated bonus payments.
- Child care programs have the flexibility to offer additional bonuses to staff using their own funds.





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- *NOTE: Some GS-110 religious sponsored programs operating under the Emergency Child Care guidelines have requested to be exempted from all COVID-19 related funding. If a GS-110 program has chosen to be exempted, staff will not receive these bonuses.*

**Recording Attendance:**

- Providers should submit employee attendance by the 5<sup>th</sup> day of the following month. Inaccurate, untimely, or incomplete reporting may result in delayed bonus payments.
- Bonus payments for April and May will be calculated based on employee staffing data reported by providers that month.
- Providers will need to track attendance for employees and submit through the [Provider Portal](#) for the Emergency Child Care Subsidy program.
  - Providers may begin entering employee attendance starting Thursday, April 30<sup>th</sup>, 2020 and must finish entering all attendance by 9:00PM on Tuesday, May 5<sup>th</sup>, 2020.
  - DCDEE has published a [job aid](#) with detailed instructions on how to record and submit attendance for employees.
- DCDEE has provided a [weekly employee attendance log](#) to assist providers in manually tracking attendance of employees prior to the portal being available for tracking attendance.

**Rates:** Bonus payment amounts have been updated (as of 4/27/2020) and are as follows:

	Full-Time Employees	Part-Time Employees
Teaching Staff	\$950 per teacher per month	\$475 per teacher per month
Non-Teaching Staff	\$525 per staff per month	\$262.50 per staff per month

- Staff are eligible for the full bonus payment amount shown in the chart above if they are not absent from work for more than 10 days during the month. If an employee is absent from work for more than 10 days during the month, the bonus payment will be prorated using a daily rate. (To calculate the daily rate, divide the bonus amount by 21.67 then multiple that by the number of days the employee worked.)
- Bonus payments are subject to payroll taxes, which would be partially paid by the employee through payroll reductions and partially paid by the provider. Providers will receive an additional 10% for bonus payments to cover costs associated with payroll taxes and other administrative/overhead costs.
- You will be able to log into the Provider Portal for Emergency Child Care Subsidy to confirm the accuracy of payments and reconcile your bank statements.

**Payment Schedule:** Bonus payments will be paid mid-month (on May 15<sup>th</sup> and June 12<sup>th</sup>) at the same time Emergency Child Care Subsidy payments are paid.



## **6. OPERATIONAL GRANTS (Updated May 15, 2020)**

DCDEE will provide operational grants to licensed child care facilities that are open for all or part of April, May, and June. The operational grants will help providers cover monthly fixed operating costs during these three months of the COVID-19 crisis, recognizing that revenues from parent tuition fees are significantly lower as non-essential workers have kept their children home with them.

**Eligibility:** Child care programs who were open in April or reopen in May or June will receive operational grants. DCDEE has determined programs are open if they:

- Completed an Emergency Child Care Provider application to remain open or a Reopening Application.
- Completed a [daily provider survey](#) to report whether they were open or closed. Child care programs will receive operational grants for April if they were approved as an emergency child care provider and indicated they were open on the daily provider survey.

Providers will not need to apply for the grant. Providers can call 919-703-5262 or send an email to [dcdee.communications@dhhs.nc.gov](mailto:dcdee.communications@dhhs.nc.gov) to find out how much they will receive.

**Amounts:** Child care centers will receive between \$500 and \$30,000 per month that they are open. Family child care homes will receive between \$359 and \$2,500 per month that they are open. The amount of your grants will vary based on the following factors:

- Total number of children served prior to COVID-19 – programs serving more children will receive larger grants.
- Star rating – programs with a higher star rating will receive larger grants because of the higher cost to meet higher standards.
- Infant toddler enrollment – programs serving infants and toddlers will receive larger grants to account for higher staffing and fixed costs associated with caring for infants and toddlers.
- Serving subsidy children – programs that have served subsidy children in the past 12 months will receive larger grants than programs that do not serve families and children receiving child care subsidy. Public Child Care Development Funds are intended to increase access to quality care for families and children with low incomes. However, because of the unique challenges programs are facing as a result of the COVID-19 crisis, all programs will receive some level of grant support.
- Subsidy density (the percentage of children enrolled who receive child care subsidy) – Because DCDEE is continuing to stabilize child care subsidy monthly payments to child care providers based on February enrollment, programs that have higher percentages of children on subsidy are getting more of their typical monthly revenue covered than programs that have lower percentages of children on subsidy and rely more heavily on private fees from parents. Therefore, programs with lower percentages of children on subsidy will receive larger grants.





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**Payment Schedule:**

- Programs that reopen in April will receive operational grants in mid-May. Programs will receive a combined payment for April and May (two months' worth of grants).
- Programs that reopen in May will receive operational grants in mid-June. Those programs will receive a combined payment for May and June (two months' worth of grants).
- Programs that reopen in June will receive operational grants in mid-July. Those programs will receive either a full payment for one month if they reopened on June 1<sup>st</sup> or a prorated payment if they reopen in the middle of June.

**7. ADDITIONAL RESOURCES**

- If you have general questions, contact DCDEE at 1-800-859-0829.
- If you have questions about the [COVID-19 Child Care Reopening Application](#) or [COVID-19 Child Care Provider Survey](#), contact your child care consultant.
- If you have questions about the Subsidized Child Care Program or the Emergency Child Care Subsidy Program, contact your Subsidy TA Consultant.
- If you have health-related questions or concerns, contact your [child care health consultant](#).
- If you need additional help accessing food, cleaning supplies, or other essential resources needed to provide care during the COVID-19 crisis, contact your [local Smart Start partnership](#).